



REGIONAL INITIATIVE REPORT

Publication of the U.S. Regional Initiative in the Russian Federation

Fall 2002

Seventh Annual Ad Hoc Working Group Meeting Held in Anchorage, Alaska

ANCHORAGE – The Seventh Annual Meeting of the U.S. West Coast – Russian Far East Ad Hoc Working Group (AHWG) was held in Anchorage Alaska September 16 to 19. The meeting, organized by the Foundation for Russian-American Economic Cooperation (FRAEC), attracted over three hundred participants from national and local governments, non-governmental organizations and private companies. Among the participants were four governors from the Russian Far East – Viktor Ishaev (Khabarovsk), Igor Farkhutdinov (Sakhalin), Vladimir Loginov (Koryak Autonomous Region) and Roman Abramovich (Chukotka Autonomous Region). High level delegations also represented the Republic of Buryatia, Primorskiy Kray and Kamchatskiy Kray. Alaska Governor Tony Knowles hosted the event, which was also attended by representatives of the states of Washington, Oregon and California. Featured speakers included U.S. Ambassador to Russia Alexander Vershbow, Governor Ishaev, Exxon Representative Tom Hall, Governor Farkhutdinov and USAID Assistant Administrator for Europe and Eurasia Kent Hill.



The meetings included a day of seminars on topics ranging from transportation and tourism to business ethics and an overview of USAID's programs in the Russian Far East. One of the most popular and interesting seminars was Moscow Consul General Jim Warlick's presentation on "Crossing Borders: Navigating the Visa System." In

Continued on Page 2

Regional Initiative Highlights

Samara: 2

- Anti-Corruption Citizen Advocacy Office Workshop Held in Samara
- Volga Region Women's Association to Receive Grant to Promote Women's Rights
- Public Affairs Selects 30 Samara Residents to Participate in State-side Professional Programs

Tomsk: 3

- FINCA Reports Steady Loan Growth to Entrepreneurs
- U.S. Poultry Specialist Comes to Tomsk to Share Expertise
- International All-Siberian Innovation Forum and Exhibition of Innovative Technologies

Russian Far East: 5

- Third Annual APEC Investment Mart Enjoys Strong U.S. Commercial Representation
- Khabarovsk-Alaska Rule of Law Partnership Organizes Conference
- Alumni Gather in Vladivostok for Capacity Building Workshop

Continued from Page 1

addition to Ambassador Vershbow and Mr. Warlick, other representatives of the U.S. Mission to Russia making presentations in Anchorage were USAID's Charles North and Larissa Choumikova, and Vladivostok Consul General Pamela Spratlen.

One of the highlights of the conference was the "Governor's Leadership Summit," moderated by Ambassador Vershbow, at which the senior representatives of the regions met together in a roundtable setting at Governor Knowles' office for a frank and open discussion of the opportunities and problems facing cooperation in the area. It was agreed that the energy sector offered the most promise for mutually-beneficial cooperation in the near future, and that lack of transportation within and between the regions is the greatest obstacle to successful development. The participants signed a Declaration of Regional Cooperation pledging to continue working together to enhance economic, political and people-to-people relations across the Russian-U.S. border.

At the closing plenary session, the group agreed to change its name to the "Russian-American Pacific Partnership." The next meeting of the "RAPP" will be held next year on Sakhalin Island.

Samara**Anti-Corruption Citizen Advocacy Office Workshop Held in Samara**

SAMARA - On September 23-24, over 30 anti-corruption lawyers and experts from Citizen Advocacy Offices from Russia, Albania, and Ukraine as well as representatives from Transparency International chapters in Latvia, Hungary, Bulgaria and the Czech Republic met in Samara to share their experiences in providing legal services to victims of corruption and excessive bureaucracy and in conducting effective outreach programs to increase legal literacy on citizen and business rights. Independent anti-corruption Citizen Advocacy Offices were established in several countries over the past few years in response to a great demand from citizens for trusted professional legal assistance to deal with widespread corruption and abuses of citizen rights by the government.



Some "best practices" ideas generated by the workshop participants included effective case management procedures, new curricula development for law schools, legal service outreach programs in neighborhoods, coordination with law enforcement authorities, cooperation with civil society anti-corruption coalitions, and legal education for targeted citizen groups.

The Samara Center of Law, Management Systems International and Povolzhye Humanitarian Foundation organized the workshop with sponsorship from the Open Society Institute of the Soros Foundation and support of the Samara Oblast Administration. The workshop complemented a USAID-funded activity to create public-private partnerships to combat corruption in the Regional Initiative regions of Samara and Tomsk.

Public opinion surveys show that only between 1 and 9 percent (varying from country to country) of citizens formally register complaints about corruption with governmental agencies. Since the inception of Citizen Advocacy Offices, a large number of citizens have filed complaints about corruption and abuses of public officials with these independent offices.

Volga Region Women's Association to Receive Grant to Promote Women's Rights

SAMARA - On August 29, 2002, the State Department (Bureau for Educational and Cultural Affairs) awarded the Association of Women of the Volga Region a grant to promote legal awareness and counseling for women in the Samara region. The project will engage Russian youth by training volunteer law students to develop and produce informational materials and provide free counseling services.

According to the Association of Women of the Volga Region, educating women about their rights is even a greater challenge than pushing for legislative changes by Russian lawmakers. The high cost of legal services also puts a large segment of the population at a disadvantage in receiving proper information and counseling.

The grant is a part of the U.S. Embassy Democracy Commission Small Grants Program to support local democratic initiatives in Russia. The program was established in 1994 to enable the Embassy to provide direct support for projects of Russian organizations that strengthen democratic values or institutions.

Public Affairs Selects 30 Samara Residents to Participate in State-side Professional Programs

SAMARA – Public Affairs selected 30 Russian citizens to participate in the professional development programs of Business for Russia (BFR) and Community Connections (CC). There will be three ten-person groups, each traveling to a different city on a separate program in the United States. The first group will have individual internships in small businesses (BFR) located in Saint Louis, Missouri. The other two will have programs respectively in public health in Buffalo, New York, and criminal justice in Amherst, Massachusetts.

BFR and CC are professional exchange programs of the Department of State (Public Affairs) that also have an additional goal of exposing Russian participants to American society and culture through homestays and cultural events. Since the programs' inception 140 Russian citizens from Samara have traveled to the United States on small business internships and programs ranging in themes from business and non-profit organization development to education administration, youth advocacy and historical preservation.

Tomsk

FINCA Reports Steady Loan Growth to Entrepreneurs

TOMSK - The Foundation for International Community Assistance's (FINCA) active micro-lending loan portfolio has grown from just over \$100,000 to more than \$400,000 since September of 2001. FINCA disbursed more than \$1.45 million for that period. At the same time FINCA's client base more than doubled. FINCA not only built its portfolio and client base rapidly, but also increased its geographic outreach and maintained

standards of high loan portfolio quality. In August FINCA opened its first satellite office in the nearby city of Seversk.

FINCA operates through a USAID grant and has been active in Tomsk since its establishment in December 2000. FINCA programs disburse loans to individuals in a group, who pledge to pay bad loans of other group members whose businesses may fail, and to individual entrepreneurs, who can provide collateral and/or loan guarantees. FINCA serves fledgling entrepreneurs, who are still largely ignored by Russian commercial banks.

U.S. Poultry Specialist Comes to Tomsk to Share Expertise

TOMSK - In September 2002, Farmer-to-Farmer volunteer Jim Grygo spent three weeks in Tomsk to share expertise with a local company in the area of poultry processing. Jim worked with the company to improve poultry processing and manufacturing practices for its poultry products. He assisted in new poultry product development such as ground meat, sausage, chicken ham, smoked chicken as well as quality control improvement and selection of new equipment.

The Farmer-to-Farmer program is a program of the U.S. Department of Agriculture which is run by USAID. It responds to short-term requests from Russian companies for U.S. volunteer experts. Assignments range from introducing and improving farming techniques to marketing and finance. Since the program's beginning in 1999 over 300 volunteers have traveled to Russia on various assignments.

International All-Siberian Innovation Forum and Exhibition of Innovative Technologies

TOMSK - From October 9 – 11, 2002 the 5th International All-Siberian Innovation Forum was held in Tomsk. In connection with this event Tomsk also played host to the 7th Russian Universal Practical Science Exhibition (Trade Show) entitled "Integration 2002". At the exhibition there was a presentation of the interregional trade show of innovative technologies INTECH/Tomsk, organized by the INTECH project with funding from USAID. Numerous firms from Tomsk, Novosibirsk, and Kemervo, together with individuals and representatives of associations, gathered to exhibit their innovations. A total of 62 small innovative enterprises, including 24 from Novosibirsk and Kemervo, were represented.

Exhibitions included a wide range of investment and innovative projects, scientific research and development projects, bio-medical research, lab equipment, devices for scientific research, electronic components, and software. Numerous specialists, guests and participants of the Forum as well as numerous potential clients and partners attended the exhibition. The event was intended to promote the development of inter-regional ties and partnerships and offer a mechanism for the application of scientific research into production.

The Forum offered an extensive scientific program with seminars and roundtables that gathered guests from the USA (led by Deputy Minister-Counselor for Economic Affairs Constance Philipot from the U.S. Embassy in Moscow), China, Great Britain, France, Germany, and other countries of the European Union; as well as participants of innovation projects from different regions of Russia. Other participants in the Forum included key leaders from Ministries and other institutions of the RF, representatives of regional organizations, institutions involved in entrepreneurial support, and other interested individuals.

Russian Far East

Third Annual APEC Investment Mart Enjoys Strong U.S. Commercial Representation

VLADIVOSTOK - The U.S. Commercial Service and the U.S. Consulate General in Vladivostok attracted nine U.S. companies to participate in the U.S. pavilion at the Asia Pacific Economic Cooperation's (APEC's) 3rd annual Investment Mart in Vladivostok on September 9-12. The investment and trade show brought together regional government leaders and business representatives from the Russian Far East, Japan, Korea and other Asian pacific-rim countries.

The participants of the U.S. pavilion gained valuable market exposure, established essential contacts and explored new business opportunities at the crossroads between Asia and Europe. Governor Darkin of Primorskiy Kray presented the U.S. pavilion with a Diploma of Appreciation for promoting U.S. economic development experience at the APEC Investmart.

At the APEC Investmart conference Principal Commercial Officer William Lawton shared with participants the U.S. experience in creating favorable small business development conditions. He talked about the Small Business Administration's activities that support U.S. small businesses and the Commercial Service's investment and trade leads programs.

APEC was established in 1989 in response to the growing interdependence among Asia-Pacific economies. Begun as an informal dialogue group, APEC has since become the primary regional vehicle for promoting open trade and practical economic cooperation. Its goal is to advance Asia-Pacific economic dynamism and sense of community.

Khabarovsk-Alaska Rule of Law Partnership Organizes Conference

KHABAROVSK – On September 23-27, the Khabarovsk-Alaska Rule of Law partnership held a conference in Khabarovsk to discuss the implementation of legal reform in Khabarovsk Kray. The conference drew legal representatives from the Khabarovsk Kray and Alaska as well as professionals from general jurisdiction and commercial courts, legislative and executive branches, and legal educators.

Issues covered in the week long program included judicial independence and powers, implementation of the new criminal procedure code and human rights, development of the legal profession and court administration, judicial ethics and community outreach. A one-day session with commercial courts focused on legal protection for small businesses.

The conference is one of the first steps of an on-going Khabarovsk-Alaska partnership dialogue and cooperation effort to support legal reform in the Russian Far East. The partnership was formed at the end of 2001 under the auspices of the Russian American Rule of Law Consortium with support from USAID, the American Bar Association/Central and Eastern European Law Initiative, the Open World Program and the Foundation for Russian-American Economic Cooperation Partnership Program.

Alumni Gather in Vladivostok for Capacity Building Workshop

VLADIVOSTOK – On September 26-27, alumni of U.S. Government-sponsored exchange programs gathered in Vladivostok to participate in a USAID-sponsored capacity building seminar for networking organizations. The workshop participants represented a broad spectrum of alumni, professional associations and youth clubs including the Vladivostok Confederation of Business Women, Association of Credit Unions and Primorye Krai Association of Emergency Medicine Organizations.

The workshop addressed important issues of strategic planning, mobilization of local resources, membership and volunteer development as well as community interaction and outreach. Participants developed a number of interesting ideas for projects such as establishing an Agribusiness Association and organizing a non-governmental organization development convention in Primorye. The Moscow-based training provider Fond Partner was successful in setting up an interactive learning environment for the discussions.

Since 1999 USAID has sponsored a series of follow-up training workshops for alumni of U.S. Government exchange programs. Workshops are regional and focus on practical organizational issues such as innovation management, marketing and institutional capacity building. The workshops enjoy broad participation across different programs and agencies.

Contact Information

Regional Initiative (RI) Coordinators

Samara RI Coordinator Ben Hanson
Tel: +7 (8462) 38-48-53
bhanson@samaramail.ru

Tomsk RI Coordinator Jess Bratton
Tel: +7 (3822) 55-73-33
jbratton@ri-tomsk.org

Russian Far East RI Coordinator Gregg Halstead (as of November 18)
Tel: +7 (4242) 72-71-24/25
fareastri@hotmail.com

Assistance Coordinator Jeffrey A. VanDreal
Tel: +7 (095) 728-53-48
vandrealja@state.gov

Public Affairs
Assistant Cultural Attaché Stephen Rider
Tel: +7 (095) 728-52-42
ridersm@state.gov

USAID

Regional Initiative Coordinator Andrew Kiseliov
Tel: +7 (095) 728-50-00 x4675
akiseliov@usaid.gov

Russian Far East Project Support Specialist Irina Isaeva
Tel: +7 (4232) 30-00-70
iisaeva@rol.ru

Department of Commerce

SABIT Irena Staniak
Tel: +7 (095) 737-50-18
irena.staniak@mail.doc.gov

Department of Energy

Christine Buzzard
Tel: +7 (095) 728-52-20 x4287
cbuzzard@doe.ru

Regional Initiative Report

Editor Alex Apanius
Tel: +7 (095) 728-50-00 x4833
apaniusa@state.gov

Contributions Public Affairs, USAID, Foreign Commercial Service, MSI, FINCA Tomsk